

FISCAL NOTE

TO: Chief Clerk of the Senate
Chief Clerk of the House

FROM: James A. Davenport, Executive Director

DATE: February 15, 1996

SUBJECT: **HB 2657 - SB 2921**

This bill, if enacted, will expand the 25% tuition discount at state technical vocational schools or institutions of higher education to the spouse of:

1. a full-time certified teacher;
2. a full-time employee of the State of Tennessee;
3. a person who was killed on the job or in the line of duty while a full-time employee of the State of Tennessee;
4. a retired employee of the State of Tennessee who retired after a minimum of 25 years of creditable service.

The fiscal impact from enactment of this bill is estimated to be an increase in state expenditures of approximately \$617,155 to offset lost tuition revenues to the schools of approximately \$617,155. Details of this estimate are shown below:

(1)	Approx. # of teachers	48,479
	Approx. # of teacher spouses	33,935 (70% marriage rate)
	Approx. # of spouses participating	2,036 (6% participation rate)
(2)	Approx. # of state employees	40,000
	Approx. # of employee spouses	28,000 (70% marriage rate)
	Approx. # of spouses participating	1,120 (4% participation rate)
(3)	Empl. killed in line of duty/spouse participation	No Significant Impact
(4)	Retired state employee w/25 yrs.	4,556 (est. State Retirement)
	Adjusted participation rate	0.011 (adjust. for 22% under age 65 x 5% rate)
	Retired empl. spouse participation	50

Total Est. Level of Participation	3,206 (2,036 + 1,120 + 50)
Est. Maint. Fee Per Yr. Per Person	<u>\$770</u>
Total Maintenance Fee Per Yr.	\$2,468,620 (3,206 x \$770)

Est. Loss of Revenues	<u>\$617,155</u> (\$2,468,620 x 25% discount)
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NOTE: Estimates are based on part-time participation at an average cost of \$70 per hour or \$770 per year (\$70 per hour x aver. of 11 hr. per year)

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director